Political Economy III  
PPHA 41103

University of Chicago  
Harris School of Public Policy  
Spring 2019

Tuesdays and Thursdays, 11:00am-12:20pm, Keller 0021

Instructor  
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OH: Mondays 3:00-4:00pm. or by appt., Keller 2031

Course Description

In this course, students will delve into substantive debates in political economy and hone their empirical and analytical skills. We will focus on good research designs that answer important causal questions. In doing so, we will review the technical skills necessary to conduct credible empirical research such as differences-in-differences, instrumental variables, and regression discontinuity designs. More importantly, we will practice the thinking necessary to develop and evaluate good research designs. The class will also incorporate the theoretical training that students received in Political Economy I and II and devote attention to the interplay between theory and empirical testing.

This course is not an introduction to statistics or econometrics. The course is intended for PhD students who have already received training in these areas, have been exposed to the econometric tools used in the course, and have taken Political Economy I and II. Everyone other than Harris School PhD and MACRM students should consult the instructor before enrolling.

Class sessions will involve a combination of lecture and discussion. Some sessions will review a particular set of empirical methods in detail, others will involve the detailed discussion of a single paper, and others will involve a mix of lecture and discussion revolving around a substantive topic in political economy. Students are expected to prepare for each class session and participate in the discussions.

Text

Mostly Harmless Econometrics by Angrist and Pischke is required. All other readings will be available on the course website.

Requirements

Class participation (1/6 of final grade): Students are expected to carefully read each assigned paper or book chapter, think about it carefully, and discuss it in class. Because the class aims to develop critical thinking about research design, participation and discussion are essential.

Referee report (1/6): Students will select an article from the syllabus and write a referee report just as if they were asked to referee the paper for a leading journal in political science or economics. The report should not be longer than 1500 words and should focus on research design. The report should also make specific recommendations and suggestions for improvement. The report should be submitted on the course website the night before the day that the particular paper will be discussed. You cannot write your referee report on the essays by Deaton or Imbens. More instructions for the referee report are provided below.
Replication study (1/6): Each student will select a recently published empirical paper in political economy and obtain the data necessary to replicate the results. The paper can but need not come from the syllabus. Often, the data will be available on the website of the journal or the author. If not, students should contact the authors directly and request replication data. Students should attempt to replicate the main result of the paper and add an extension or improvement of their own. The extension could be a methodological one (e.g., testing for pre-treatment trends, including state time trends, utilizing a more credible design, etc.). The extension could also be a substantive one based on theory (e.g., model X would predict that the estimated effect would vary in the following way, let's test for that variation). Each student will write a brief report of no more than 5 pages summarizing the replication exercise and extension. Students should begin as early as possible and consult the instructor for help and feedback.

Quizzes (1/6): Three times throughout the quarter, students will take a 10-minute, open-response quiz at the beginning of class. These quizzes are intended to prepare students for the empirical section of the political economy qualifying exam. They will require knowledge of the course readings up to that point, class discussion and lecture material up to that point, understanding of the econometric tools discussed up to that point, and the ability to think carefully about the intersection of theory and empirical work in political economy.

Final paper and presentation (1/3): Students will develop their own empirical research project in political economy, submit a written paper, and present their project to the political economy faculty at a conference at the end of the quarter. In cases where the collection of data is difficult or time consuming, students can turn in a proposed research project without the empirical results. This option should only be used when the proposed study is feasible but the student needs more time to collect and assemble the data. The paper should articulate a specific question in political economy and propose a new way to answer that question that improves upon previous studies. The paper need not provide an extensive literature review and should not exceed 15 pages. Students will first submit a preliminary outline of their paper articulating the question and empirical approach, then present their project at an all-day conference, and finally turn in their final paper.

All written assignments should be submitted electronically on the course website in PDF format. Late assignments cannot be accepted for any reason; please plan accordingly. If you are unable to complete an assignment, you should turn in whatever you have by the deadline. If you would like to contest a grade, you must do so via e-mail within one week of receiving your grade. If I agree that your contestation has merit, I will reexamine your work, and your grade may go up or down.

Instructions for Referee Reports

The purpose of a referee report is to advise an editor. You can recommend that the editor reject (most common), publish as is (rare), or send the paper back to the authors for revisions and resubmissions. A subsidiary goal (one that is particularly important in the case of an R&R) is to give the author useful advice.

When writing reports, students should follow the following general format. Start with one or two paragraphs summarizing the paper and its contribution. This reassures the editor and author that you actually read the paper. It may also suggest useful reframing if you describe the contribution differently than the authors did. Then, turn to an evaluation. Many editors like to see a bottom line quickly, followed by a detailed discussion and specific recommendations for improvement.

In organizing your evaluation, proceed from major points (interest of question, identification, etc.) to minor points (specification details, standard errors, etc.). If you recommend an R&R, clarify which suggestions you see as essential.
Below are some questions to ask when evaluating a paper. Think about them while reading and make multiple passes through the paper as necessary. The report need not explicitly address each item. You should focus on the most important points for the specific paper:

1. What is the question? Is it interesting? A well-written paper will answer this question quickly. As soon as you identify the question, you should ask whether it is truly interesting. Is it intrinsically interesting, is it relevant for policy, or does it make progress in light of an existing, interesting literature?

2. Has this question already been answered well in previous papers? What contributions does the paper make over previous studies?

3. Before reading too far, think about how you would answer this question. What would you do if you had to write a paper on this question? This will help in your subsequent evaluations.

4. What is the empirical strategy? Think about the quantity being estimated. How does it relate to the question of the paper? What is the source of exogenous variation being used? What identification assumptions are necessary? Are these assumptions plausible? Are they clarified by the author and well justified?

5. What data are being used? How was it collected? How are the variables defined? What is the unit of observation? Are these choices appropriate?

6. What estimation technique is used? Is it appropriate?

7. Are there any non-standard standard error issues? These come up more often than you might think.

8. Are there reasons to be worried about multiple testing, specification searching, or publication bias? Is this the kind of paper where you worry that the authors (or lots of authors) tested many outcomes or specifications, and you’re only seeing those where they found an effect? Where there many “researcher degrees of freedom” that may have allowed the authors to get the result they wanted? If the results had come out in the opposite direction, do you think the authors would have still written the paper and submitted it?

9. Did the authors appropriately interpret their results? Did they interpret their results in substantively meaningful ways? Did they conflate statistical and substantive significance?

**Deadlines and Dates**
April 16 – quiz 1
April 23 – quiz 2
May 12 – replication study
May 14 – quiz 3
May 26 – final project proposal
June 7 – presentation of final project (all day, Room 0021)
June 12 – final paper
Class Sessions and Readings

April 2. Theory and Research Design

April 4. Practitioner's Guide to Selection on Observables
Angrist and Pischke, Chapter 3

Angrist and Pischke, Chapters 1-2

April 11. Influencing Legislative Behavior

April 16. Voter Turnout and Political Participation (Quiz 1)

April 18. Practitioner’s Guide to Fixed Effects and Differences-in-Differences
Angrist and Pischke, Chapter 5

April 23. Election Timing and Interest Group Influence (Quiz 2)

April 25. Practitioner's Guide to Instrumental Variables
Angrist and Pischke, Chapter 4

April 30. Electoral Accountability

May 2. Electoral Accountability and Media Politics
May 7. Economic Incentives and Conflict

Angrist and Pischke, Chapter 6

May 14. Validity of Electoral RD Designs (Quiz 3)

May 16. No Class

May 21. Ideology and Elections

May 23. Distributive Politics

May 28. Electoral Reform and Compulsory Voting

May 30. Comparative Electoral Institutions

June 4. Voter Behavior, Irrelevant Events, and Avoiding False Positives

**June 6. Trade-offs between Identification and Substance?**

**June 7. Conference and Paper Presentations (all day, Keller 0021)**